Government of Saskatchewan

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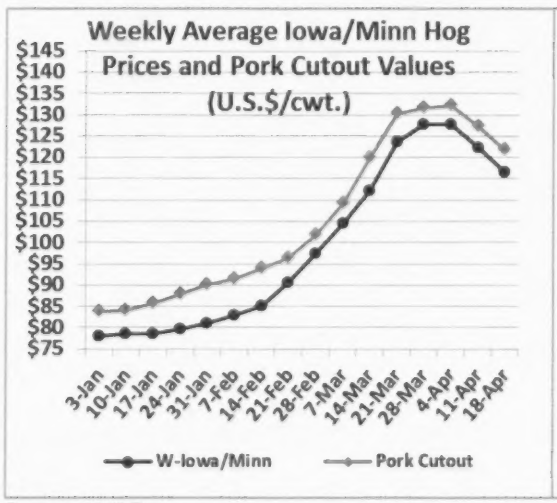
Weekly Hog Report

April 21, 2014

Last week there were no new cases of **Porcine Epidemic Diarrhea (PED)** identified in hog barns in Canada. There are currently 52 cases confirmed in hog barns in Ontario, one in Manitoba, one in PEI, and also one in Quebec for a total of 55 PED cases confirmed in hog barns in Canada.

Cash Feeder Hog Prices

Last week North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed. Weighted average cash prices for iso-weans (12lb) were US$80.70 per head, down US$5.64 per head from US$86.34 per head the previous week. Feeders (40lb) were US$136.88 per head, up US$1.48 per head from US$135.40 per head the previous week.



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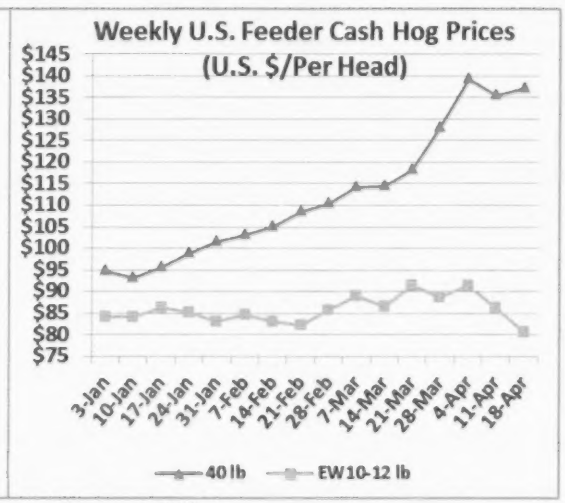


Source: LMIC

Cash Slaughter Weight Hog Prices

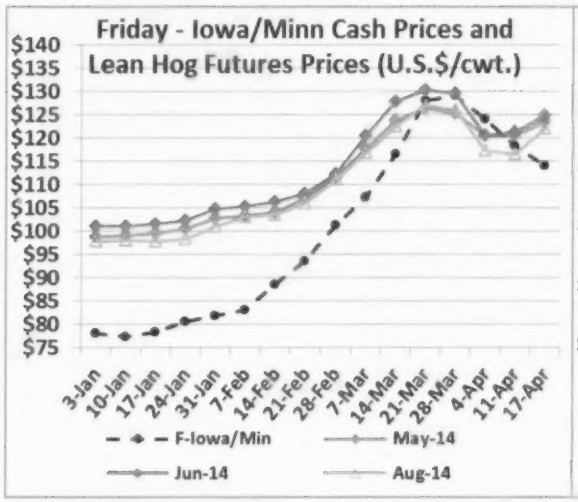
North American cash hog prices moved noticeable lower for the second consecutive week as pork cutout values declined US$5.43 per cwt from the previous week. Hog prices (Iowa/Minn) on Friday averaged US$114.01 per cwt, down US$4.36 per cwt or 3.7 per cent from US$118.37 per cwt the previous Friday. The daily average price over the week ranged from US$118.92 per cwt on Monday to US$114.01 per cwt on Friday. The negotiated base price for the week averaged US$116.41 per cwt, down US$5.94 per cwt or 4.9 per cent from US$122.35 per cwt the previous week.

In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Thursday April 17, 2014 was $231.80 per ckg, down $8.24 per ckg or 3.4 per cent from $240.04 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $235.56 per ckg, down $11.39 per ckg or 4.6 per cent from the previous weeks' average price of $246.95 per ckg. The Canadian dollar edged lower last week closing the week Thursday at 90.80 cents, down 0.28 cents from the previous Friday's close of 91.08 cents.

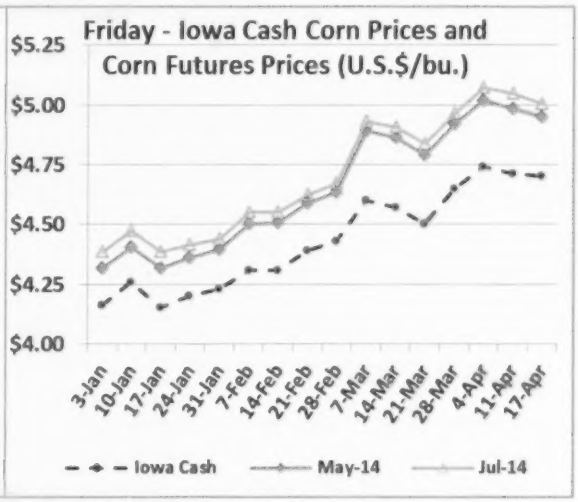
Futures Markets

Lean hog futures prices were noticeably higher last week after experiencing weakness at the end of March and early April. The May-to-August 2014 lean hog futures contracts increased between US$2.900 and US$5.525 per cwt, the shorter week ending Thursday. The CME was closed on Friday. The July contract increased the most at US$5.525 per cwt to settle Thursday at US$123.075 per cwt. The Friday Iowa/Minn average daily cash price was US$114.01 per cwt, US$9.49 per cwt lower than the May's futures price.

Prices for other United States nearby commodity futures were higher for wheat, soybeans and crude oil, but lower for corn and gold, week-over-week.



Source: CME



Source: CME

Note: Last week's prices were mostly Thursday's as CME closed Friday. Only cash hog prices on Friday.

Iowa cash corn prices and the nearby corn futures edged lower over the week. The Iowa cash price on Thursday was US$4.70 per bushel, down one cent from US$4.71 per bushel the previous Friday. The May corn futures contract was down almost 4 cents to settle Thursday at US$4.948 per bushel, while the July contract was down 4 cents to settle Thursday at $5.005 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection last week for the week ending April 19 were estimated at 2.007 million head, down 0.6 per cent from 2.020 million head a week ago, and down 6.2 per cent from 2.140 million head from the same week a year ago. U.S. hogs slaughtered over the last four weeks ending April 19 averaged 2.018 million head, down 5.0 per cent from 2.125 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending April 12, 2014 were estimated at 390,307 head, down 2.9 per cent from 402,051 head the previous week, and down 2.7 per cent from 401,311 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending April 12 were estimated to average 403,567 head, up 2.3 per cent from 394,489 head over the same period a year ago.

In Western Canada, federal and provincial hog slaughter numbers for the week ending April 12, 2014 were estimated at 165,171 head, down 1.0 per cent from 166,884 head the previous week, and down 2.2 per cent from 168,847 head the same week a year ago. Western Canadian hogs slaughtered over the last four weeks ending April 12 were estimated to average 167,748 head, up 3.3 per cent from 162,426 head over the same period a year ago.

Meat Production

U.S. pork production for the week ending April 19 was estimated at 430.7 million lb., down 0.4 per cent from 432.6 million lb. the previous week, and down 3.1 per cent from 444.5 million lb. the same week a year ago. Pork production over the last four weeks ending April 19 was estimated to average 433.2 million lb., down 1.9 per cent from 441.4 million lb. over the same four week period a year ago.

U.S. beef production for the week ending April 19 was estimated at 449.6 million lb., down 0.9 per cent from 453.7 million lb. the previous week, and down 6.2 per cent from 479.5 million lb. over the same week a year ago.

For the week ending April 12, U.S. production of chicken was estimated at 914.3 million lb., up 0.9 per cent from 906.5 million lb. the previous week, and up 2.1 per cent from 896.0 million lb. during the same week a year ago.

Turkey production for the same week was estimated at 131.1 million lb., down 2.9 per cent from 135.0 million lb. the previous week, and down 3.4 per cent from 135.7 million lb. during the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending April 12, 2014, was estimated at 1.914 billion lb., down 0.9 per cent from 1.931 billion lb. over the same four weeks a year ago.

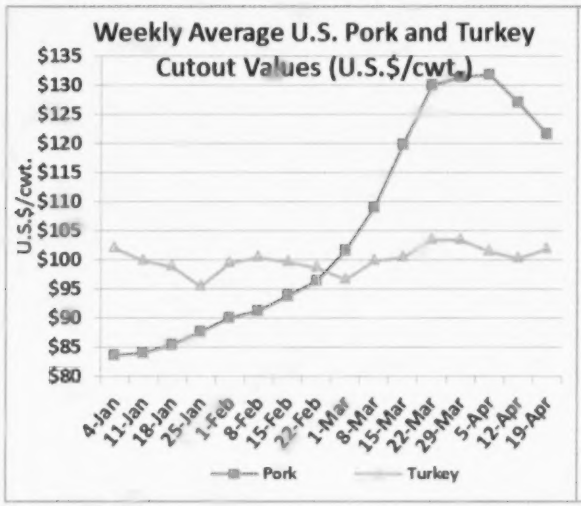
Cutout Values

The U.S. pork cutout values for the week ending April 19, 2014 averaged US$121.74 per cwt, down US$5.43 per cwt from US$127.17 per cwt from the previous week, but up 45.8 per cent from US$83.52 per cwt the same week a year ago.

Average beef cutout values (Choice 600-900 lb.) for the week ending April 19 averaged US$224.27 per cwt, down US$1.23 from US$225.50 per cwt from the previous week, but up 17.7 per cent from US$190.51 per cwt the same week a year ago.

Chicken values (breasts) for the week ending April 19, 2014 averaged US$172.79 per cwt, up US$4.22 per cwt from US$168.57 per cwt the previous week, and up 7.5 per cent from US$160.75 per cwt the same week a year ago.

Turkey (hens) values for the week ending April 19, 2014 averaged US$101.78 per cwt, up US$1.49 per cwt from US$100.29 per cwt the previous week, and up 7.5 per cent from US$94.64 per cwt the same week a year ago. (Source: LMIC)



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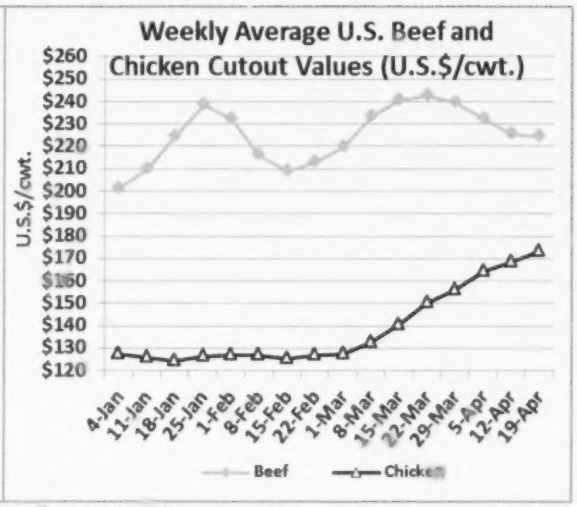

Source: LMIC

Pork and beef cutout values have declined over the last few weeks after breaking all-time record high prices in late March (beef) and early April (pork). Chicken cutout values have continued to move higher since early March and have sustained a decent rally into spring. While beef cutout values continue to be above normal historical spreads between both pork and chicken, the recent increase in chicken cutout values and decline in pork cutout values has put the spread (chicken-pork) closer in line with historical spreads.

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Livestock Economist
(306) 933-5098
brad.marceniuk@ gov.sk.ca